Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of **GLOBAL CROSSING, LTD**. (Debtor-in-Possession), Transferor, and **GC ACQUISITION LIMITED**, Transferee Application for Consent to Transfer Control and Petition for Declaratory Ruling	IB Docket No. 02-286 File Nos. ISP-PDR-20020822-0029; ITC-T/C-20020822-00406 ITC-T/C-20020822-00443 ITC-T/C-20020822-00444 ITC-T/C-20020822-00445 ITC-T/C-20020822-00446 ITC-T/C-20020822-00447 ITC-T/C-20020822-00449 ITC-T/C-20020822-00448 SLC-T/C-20020822-00068 SLC-T/C-20020822-00070 SLC-T/C-20020822-00071 SLC-T/C-20020822-00072 SLC-T/C-20020822-00077 SLC-T/C-20020822-00073 SLC-T/C-20020822-00074 SLC-T/C-20020822-00075 0001001014

COMMAXXESS' SUPPLEMENTAL RESPONSE IN OPPOSITION TO THE APPLICANTS FOURTH AMENDED APPLICATION FOR CONSENT TO TRANSFER CONTROL AND PETITION FOR DECLATORY RULING.

COMMAXXESS provides the following as a supplemental response to the June 30, 2003 filing submitted by the Applicants as the "Fourth Amendment for Consent to Transfer Control and Petition for Declaratory Ruling" to matters filed before this Commission and the Applicants endless quest to "influence peddle" their way around this Commission.

The Bush Administration has people in cabinet level positions and within the White House that should be forced to recuse from these deliberations if they do not voluntarily do so of their own volition. The CFIUS review process should be completely without influence peddling in light of the massive amounts of fraud Global Crossing has perpetrated against its shareholders and creditors. Political will, or lack thereof, and political donations should not be synonymous.

Trade agreements have no overriding criteria when it comes to the national security of every man, woman and child residing in this nation.

Shipping Dispute Hits Close To Home For Labor Secretary

Chao's Family Ties

Is everybody in the White House there on family business? The President is -- he's itching to declare war on Saddam Hussein, the man who, as he put it recently, "tried to kill my daddy."

But what about the Labor Secretary? When the administration declared its other war this summer -- the war on the West Coast dockworkers' union -- was that too, a family affair?

The U.S. Secretary of Labor is Elaine Chao, a Taiwan-born former Heritage Foundation Asia Fellow who's spent much of the last decade boosting U.S.-China trade. Chao, who served as deputy Maritime Commissioner in the Ronald Reagan Department of Transport, has been a persuasive force for so called "normalized" relations with China. Those are relations devoid of any *quid pro quo*s having to do with human, environmental or labor rights.

Chao led a Heritage foundation delegation of major donors to the Hong Kong reunification ceremony in 1997, and by several accounts has done her bit to erode anti-China sentiment among an influential segment of the conservative right-wing. She and her husband, Senate foreign relations leader Mitch McConnell (R-KY) mustered Republican support for granting the People's Republic of China permanent Most Favored Nation (MFN) status in 2000.

The couple has met in person with Chinese leader Jiang Zemin. Chao's father James Chao and Zemin were schoolmates, they've met on several occasions, and Mr. Chao owns a shipping company that built ships in Shanghai's state-owned shipyards, and does business with the Chinese government.

On Oct. 7, when the President chose to invoke the 1947 Taft-Hartley Act to force contract-less International Longshore Workers Union (ILWU) members back to work after a management lockout, Chao stated, "We have been patient. But now other workers, small business owners and farmers are being affected by this dispute."

There's reason to believe Chao's worries were actually about powerful Chinese and U.S. players whose fates have for a long time been tightly tied to hers.

Union dockworkers have been working without a contract since July 1. The Pacific Maritime Association (PMA), which represents a consortium of shippers, locked workers out in September, accusing them of "slowing down" work -- a charge the ILWU denies. There's no denying, however, that once the gates were shut at Oakland, Seattle, Los Angeles and rest of the 29 ports ILWU/PMA contracts cover, cargo mounted up. Shippers and retailers began to panic about profit losses -- and none worried more than those doing trade with China.

At some ports on the West Coast today, Chinese trade outflanks all others. According to *Wall Street Journal* statistics, the U.S. imports $46.29 billion worth of goods from China every year, and 90.8 percent of it goes through West Coast ports. U.S. exports to China stand at $5.95 billion, just behind exports to Japan and South Korea.

"The government's been colluding with management since at least June," said ILWU communications director Steve Stallone. Indeed the Labor Department has been heavily involved -- on one side. Department of Labor representatives met with officials from Commerce, Transportation and Homeland Security in a White House working group all summer.

According to a Department source who spoke to the press anonymously this August, the high level group discussed different ways to force union members back to work and even considered citing national security and using Navy personnel to unload ships. ("White House Considers Options to Block Port Strike," AP 8/7/02.)

When the President took the historic step of invoking the Taft-Hartley Act (for the first time against not a strike, but a management lock-out), it was to "protect America's economy and jobs," the White House said. The first economy at stake, however, was that of Chinese traders, including long-time chums of Chao herself.

Chao's father James (who failed to respond to reporter requests for an interview) owns Foremost Maritime Corporation. Formerly based in Hong Kong, now New York, Foremost ships goods to and from the United States and Asia. One of Foremost's clients, China Ocean Shipping Company or COSCO, is a Chinese Government controlled company which belongs to the Pacific Maritime Association.

Not so large a business-owner, James Chao has given generously in the past to his son-in-law's Kentucky election campaigns. In fact, for a senator in a land-locked state, McConnell receives a lot of shipping money: $31,150 in the 2002 race so far. Currently running for his fourth term, McConnell chairs an appropriations subcommittee that deals with foreign policy. He's a Republican leader, not least on issues pertaining to trade, and for this and other reasons he's received strong support from pro-China lobbyists.

One of the biggest is a former patron of his wife, Maurice "Hank" Greenberg. One of the Heritage Foundation's largest donors, Greenberg is CEO of American International Group (AIG) an insurance company that does business with China. Greenberg's donated thousands of dollars to Sen. McConnell's campaigns in the past -- especially in the pre-2000 years, when the Most Favored Nation votes were not yet in.

McConnell and Chao have been cagey when it comes to who funds their China-related activities. He raised $2.4 million to set up a think tank at the University of Louisville. It sponsors six-week, all-expenses paid trips for students to China. Is Greenberg a funder? Is the PRC itself?

McConnell's refused to disclose the grant-givers and he called it "xenophobic" when the *New Republic* magazine and his local paper, the *Louisville Courier Journal*, raised questions about it last year. Chao failed to mention her service on the board of a telecommunications company with Chinese government ties when she took office as Labor Secretary. She says she forgot.

And the two appear to have ties to some of the very same China players who got Al Gore and the Democrats into so much trouble a few years back. According to the conservative *WorldNetDaily*, McConnell was one of only two Republicans to receive illegal contributions from Chinese campaign-finance felon, John Huang.

Years after the Democrats' "Chinagate" there's been no scandal, and until now not even any scrutiny of the possible involvement of the Chinese government or its allies in the Bush administration's decision to force open the West Coast's ports at the union-workers' expense.

But there's no doubt that getting cargo moving was a concern for among others, Greenberg. AIG is a major maritime insurer, the second largest in the United States in 2000. AIG no longer offers protection for cargo held up or delayed by labor disputes, but it does offer protection against damage or theft. When cargo's delayed on shore, the risk of an "incident" skyrockets, said an AIG salesperson off the record this week.

Detour container-ships to Mexico or Panama for unloading, as some shippers were beginning to, during the recent lockdown, and you're virtually guaranteeing a claim. "Mexico's very high theft potential," said the West Coast AIG salesman. Because insurers typically ensure cargo from warehouse to warehouse, AIG's at risk as long as covered cargo is *en route*. "We like to see things moving," said the AIG employee.

"Toys, clothes and electronics from China -- that's just about all we see on the docks," says ILWU spokesperson Stallone. Since the passage of MFN, trade with China's been booming. The nation's first Chinese-American Governor, Gary Locke of Washington, is gearing up for a big shipping conference in Seattle/Tacoma to boost trade still further next year.

The competition for shipping business is on, with prime competitors, Singapore and Hong Kong, hoping U.S. labor costs will edge American dockyards out. Workers at Asia's ports have none of the protections won by U.S. labor unions. In China, independent unions are banned altogether.

"In Hong Kong or Singapore, management has total control of the product. In a labor dispute, they just send in the troops," says Jeff Engels of the ILWU in Seattle. "Total management control is what they want here too," he says.

For many years, what's been good for Chinese traders has no doubt been good for Chao/McConnell. Could we be looking at another scandal of Chinese influence? If the party labels were reversed, right-wing media hacks would be howling. Until now, however, there's not been a whisper. In Washington, questions about Chao and her connections remain strictly "all in the family."

This is Laura Flanders for TomPaine.com.

Laura Flanders is the host of Working Assets Radio,[1] heard on KALW-FM in San Francisco, and author of *Real Majority, Media Minority: The Cost of Sidelining Women in Reporting.*

This Commission has been advised that the ultimate parent of STT, the Singapore Government and its investment arm of Temasek Holdings, has a direct investment interest[2] in COSCO:

Hock Lock Siew

Cosco, S'pore make good shipmates   By LOH HUI YIN

ASTUTE observers saw significance in the fact that Singapore's Transport Minister Yeo Cheow Tong and his Malaysian counterpart Ling Liong Sik attended the 10th anniversary celebrations of Cosco Investment in Singapore last month.

Cosco Investment is the Singapore-listed subsidiary of China Ocean Shipping Group, the largest shipping conglomerate in China. Bulk shipping, marine engineering and property are Cosco Investment's main activities.

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[1] http://www.workingforchange.com/radio/index.cfm?CFID=1392984&CFTOKEN=40397942
[2] http://business-times.asia1.com/story/0,4567,80191,00.html

Apart from the 'face' accorded to host and Cosco group president Captain Wei Jiafu, the observers wondered if the ministers' presence at the head dinner table signaled more co-operation with Cosco. And they were right - at least on the Singapore front.

Already a major customer of PSA's berths in Singapore, Cosco Investment last week took in a new shareholder - Singapore government investment company Temasek Holdings. Temasek's presence as an 11.5 per cent shareholder of Cosco is the first step of a longer-term relationship, say sources familiar with the two parties' thinking.

Vote of confidence: The stake is also a vote of confidence in Cosco, which has been divesting its property investments and the high-volume, low-margin trading business. At the same time, Temasek gets exposure to China's growing shipping and marine sector, which is proving to be a competitive force internationally.

There's also an another angle for Temasek: It gets an insight into the workings of a Chinese state-enterprise - an invaluable learning experience for Singapore Inc. With its equity interest, Temasek could ask for board representation at Cosco, whose parent is well-connected to the Chinese leadership.

Temasek's stake came about when it bought 72 million new shares issued by Cosco for $14.4 million. Mainboard-listed Cosco issued another 28 million placement shares placed by Kim Eng Ong Asia Securities. The total sum of $19.5 million raised will be used to partly finance Cosco's acquisition of a 40 per cent stake in a Dalian shipyard.

Dalian Cosco Marine Engineering ship-repair yard is the largest in north-eastern China, and Cosco's 40 per cent stake comes from associated company Cosco Industrial Investments. Another 20 per cent of Dalian Cosco Marine is already owned by Singapore's SembCorp Marine, which bought its stake much earlier. A profitable yard that caters to foreign ships, Dalian Cosco is getting marketing input from SembCorp Marine.

And now that Temasek has become a shareholder of Cosco, what other business will they be looking at together? For a start, the acquisition of more ship-repair yards in China, including one in Guangzhou.

Cosco already has a shipyard at Nantong, near Shanghai. And with facilities in the north-east at Dalian and mid-point at Nantong, Cosco has the northern part of the long Chinese coastline covered, leaving the south the only piece of the puzzle to be completed. Buying a shipyard in the south, probably from Cosco's parent, would enable Cosco to cover traffic along the entire Chinese coastline.

The two partners are also eyeing the management of ports and the logistics business in China, sources say. As China's economy pushes ahead, it will want to develop and upgrade more of its ports to handle burgeoning imports and exports.

Modern logistics is another area China will have to develop if it is to keep up with the demands of multinational corporations operating there. Even Chinese enterprises are beginning to turn more to logistics to keep tabs on their costs.

Apart from co-operation in China, Cosco is also in negotiations to invest in a PSA terminal in Singapore. Such an investment would go some way towards 'anchoring' Cosco into using Singapore as its hub. About 100 Cosco ships call at Singapore each year.

This Commission has been advised that the new ownership of the post-bankruptcy Asia Netcom (China Netcom dba: Asia Netcom) includes Goldman Sachs and the Government of Singapore via the entity named CICC.

The Global Crossing Unsecured Creditors Committee[3] includes the following companies as members:

Co-chairs

Alcatel and affiliates	PPM America

Members:

The Bank of New York	Dupont Capital Management
Hartford Investment Management	Lucent Technologies
Teachers Insurance and Annuity	Wilmington Trust
Verizon Communications	Aegon USA Investment Management
Wells Fargo Bank, Minnesota	U.S. Trust Company

This is the committee that so ardently supports the "low offer" of STT over higher and better offers, notwithstanding national security issues that they apparently hold less dear than money.

This Respondent has already disclosed to this Commission the relationships between TIAA and former Global Crossing board member Norman Brownstein.

The U.S. China Chamber of Commerce, formerly chaired by Prescott Bush, uncle to the President of the United States, includes COSCO and Protein Technologies International, a Dupont Company (see list above). This Commission should now be fully aware that COSCO and Li Ka-shing and the PRC are virtually synonymous and that the Government of Singapore is squarely in bed with various arms of the PRC via direct investments.

PPM America was a creditor of the Williams Communications Group in that Chapter 11 and now co-chairs the Global Crossing unsecured creditors committee. That matter will be addressed in multiple actions by WCG and GX shareholders.

As one of the unsecured creditors committee members, Aegon, one of those unsecured creditors that so wholeheartedly supports the "lowest offer" STT, is not without conflicts of interest or financial motivations[4] of their own regarding China.

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[3] Applicants Disclosure Statement filed with SDNY bankruptcy court, page 58.
[4] http://www.china.com.cn/english/investment/32793.htm

Further investigation has revealed that the Aegon Group had recently gained entry into the Chinese Insurance market through a joint venture with the China National Offshore Oil Corporation (CNOOC). The Aegon Group and CNOOC share a 50% stake in this joint venture.

Dutch Insurer Aegon to Launch in China[5]

Dutch insurer Aegon NV will set up a life insurance joint venture in China with the China National Offshore Oil Corporation as its partner, a company official said Thursday.

The joint venture, expected to open next year, will be based in Shanghai and will have an initial capital base of US$24 million, chief executive Donald J. Shepard said.

The two partners will each have a 50 percent stake in the venture.

China's rapidly expanding insurance market has drawn a flock of foreign competitors in recent years. As many as 198 overseas insurers have opened representative offices in China, and 26 insurers have obtained licenses to operate in the country.

Over the past decade, the total insurance premium income has been rising at an annual rate of 29 percent. The premium income for life insurance amounted to US$17 billion in 2001, an increase of 43 percent from the previous year.

Shepard said the potential for growth was still great as the insurance business was highly concentrated in big cities, and market penetration was still very low.

Founded in 1844, Aegon is the fifth largest insurance company in the world with total assets valued at US$269 billion. Last year, the company reported a turnover of US$28.6 billion.

(eastday.com May 17, 2002)

This Commission and CFIUS should be suspect as to whether or not Dutch and Singapore business and government interest care in the least bit about the national security of the United States.

Point out one person involved in trying to lobby GX through this process and we will gladly acknowledge that person as being without conflicts or vested financial interests to put money above national security.

The China National Offshore Oil Corporation is a PRC owned company that has a related international advisory board[6] that includes: Henry Kissinger (a Global Crossing paid lobbyist), Simon Murray (Former CEO and Director at Hutchison Whampoa), Kenneth Courtis (Economist at Goldman Sachs and Vice President of Goldman Sachs Asia). See CICC, part owners of the post-bankruptcy Asia Netcom, formerly Asia Global Crossing and note the tie to Hutchison, Li Ka-shing.

[5] http://www.china.com.cn/english/investment/32793.htm
[6] http://www.cnoocltd.com/front/asp/PressReleaseShow.asp?nID=72

In addition to the joint venture with the Aegon Group[7], The China National Offshore Oil Corporation has additional joint ventures and contractual agreements with Li ka-shing's Husky Oil[8] (Canada). Li ka-shing's Hutchison Whampoa and the Government of Singapore Investment Corporation are also considered as strategic investors through a private placement of shares in CNOOC.

Note: When Li Ka-shing purchased Husky Petroleum and now holds 95% of it through several ownership vehicles, the petrochemical division was spun off and sold to CITIC, yet another PRC controlled entity. See GlobalAxxess response, October 21, 2002.

It is no wonder why this particular group of creditors so ardently supports the "lowest offer to the detriment of all other creditors" and approval for the sale of Global Crossing to Hutchison Whampoa / Singapore Technologies Telemedia and now STT as a standalone buyer. It is growing more apparent that the Unsecured Creditors Committee has a "stacked deck" approach to this matter and explains why money and future profits are more important to them than national security concerns or even ethical behavior. It is apparent that Aegon and other creditors were strategically included as part of the unsecured creditors committee in consideration of their China market ambitions, since most if not all of them have some direct financial interest in China already and dependent in part on what this Commission and CFIUS do in this matter.

Creditors sitting on such Unsecured Creditors Committees are required under the U.S. bankruptcy code to represent the interest of <u>all unsecured creditors</u>, regardless of size and adhere to the fiduciary duty of such representation for each and every creditor involved in the GX bankruptcy. A full analysis of this Global Crossing Unsecured Creditors Committee discloses far too many that have their vested interests above others, which is not the intent of our laws whether viewed as a question of law or equity.

The Organization for International Investment (OFII) and Global Corporations such as the Aegon Group vision a world of no borders and boundaries with respect to trade, and therefore will not have their proliferation controlled in the name of National Security of the United States of America. Global Corporations such as Aegon see China as an untapped market with huge profit potential and have been investing heavily in an attempt to make China rise. As the executives of these Global Corporations become intoxicated by the greed associated with thoughts of potential profits in a rising China, a man named Li ka-shing and the PRC have been exploiting the global ambitions of their newfound global business partners as a way to achieve technology transfers from the United States of America.

That is a known fact to our intelligence agencies and those of other countries such as Canada. With faux pas approvals to transfer strategic technologies that can then be used against the interests of the U.S. and its allies, such as Magnequench, UGIMAG, and

[7] http://www.chinatradeonline.org/english/e-pro/newsContentEn.asp?NewsNO=131
[8] http://www.financeasia.com/Articles/EE204D60-6626-11D4-8C100008C72B383C.cfm

now Global Crossing, our regulatory agencies should be leery at best of longer term PRC intentions over repeated pleas to overlook all matters including regulatory requirements to get this charade approved by CFIUS and this Commission.

To achieve such objectives, deceit is required and this Global Crossing case has seen plenty of that. These Applicants evade every issue, withhold key information that is required to be voluntarily submitted and refuse to provide information when other respondents point out that they are withholding key and relevant information.

Facts speak for themselves and these Applicants evade facts like the plague, or evading the truth if one chooses.

In this case, the eventual transfer of the worlds most extensive Fiber Optic network in Global Crossing would be a major piece of the puzzle that has the potential of being used against the United States of America for China's well publicized strategy of "Unrestricted Warfare." The blackouts of August 14, 2003 should be considered a wake up call on how vulnerable the United States of America is without complete control of vital infrastructure that supports our Society and National Security. Communications links control much of the modern day world and communications links are a doorway to either communicate or total disruption in the hands of anyone wishing this nation ill will.

On a separate but related note, has the Commission noted that Leucadia National wishes to acquire all shares of WilTel Communications and place the ownership interests offshore or that Leucadia National is no longer a U.S. domiciled company? Berkshire Hathaway and Leucadia equal "Berkadia" on the FINOVA Chapter 11 bankruptcy takeover. Berkshire has a significant investment interest in Level 3, 3% of WCG and known ties to Leucadia and now Leucadia has surfaced on GX.

If some federal regulators are not attuned to antitrust and anti-deregulation, they should be looking into the matter. The markets downgraded Leucadia debt on its WCG play and now they seem to have the capital to pursue Global Crossing. Someone at the federal level should start checking into that matter and who is financing these takeovers through proxies, puppets or otherwise.

This Respondent now possesses information that one of the major investment banks in the world was "renting shares" of GX in April 2002 after the Chapter 11 was filed to cover naked short positions, such positions being illegal in the U.S. and part of how certain companies are being forced into bankruptcy for cheap, down and dirty takeovers. Our own FBI conducted a sting[9] on just such market manipulation and made arrests in 2002 but only rounded up the smaller operators doing such illegal acts. The law enforcement authorities failed to round up the bigger players that are doing just that to multiple U.S. companies and getting away with it due to lax enforcement[10].

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[9] http://www.canadianbusiness.com/features/article.jsp?content=49390&page=1

[10] http://www.canadianbusiness.com/features/article.jsp?content=49408&page=1

In their desperation to get this deal through this Commission and CFIUS, Leucadia National, a non-U.S. corporation to avoid paying U.S. taxes, is now discussing and maneuvering to be a joint venture partner with STT to get this deal through the Commission and CFIUS without review. We respectfully suggest that this Commission and CFIUS not fall for it, for Leucadia is no longer a U.S. corporation and is engaging itself in bankruptcy plays for itself and others that should be under full federal review.

This Respondent suggested such to STT (a different alignment that would not require review) knowing full well that GX advisors and others would use that "idea" to come forward with yet another stalking horse to save the day for the poor GX management team.

They wish to hold our management team at bay because we will hold all parties and any party accountable.

The former Williams Communications Group common shareholders are bringing a multiple count RICO action against WCG, The Williams Companies, Blackstone, certain creditors involved in manipulation of the markets offshore, and specifically against Leucadia National. Again, these Applicants cannot find someone clean to do their dirty deeds.

GX and their advisors are choosing the battle lines and we are choosing the battlefield.

Respectfully submitted,

Karl W. B. Schwarz
Chairman, Chief Executive
501-663-4959

Dated: August 27, 2003

CERTIFICATE OF SERVICE

I, Karl W. B. Schwarz, hereby certify that on this 27th day of August 2003, I caused a true and correct copy of the foregoing Supplemental Response In Support of National Security Issues to be served on the following parties in the manner indicated:

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